

## Message Text

PAGE 01 STATE 092179  
ORIGIN STR-07

INFO OCT-01 IO-13 ISO-00 STRE-00 AGRE-00 COME-00  
CEA-01 CIAE-00 DODE-00 EB-08 FRB-03 H-01 INR-10  
INT-05 L-03 LAB-04 NSAE-00 PA-01 CTME-00 AID-05  
SS-15 ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15  
NSCE-00 SSO-00 ICAE-00 INRE-00 JUSE-00 /098 R

DRAFTED BY STR:BSEASTRUM:JT 395-6127 4/10/78  
APPROVED BY STR:WKELLY  
USDA:BHARPER  
STR/AHUGHES  
STR:HLAWRENCE  
COMMERCE:LHOLEC

-----076702 110156Z /14

O 110102Z APR 78  
FM SECSTATE WASHDC  
TO USMISSION GENEVA IMMEDIATE

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PASS JSWAIN AND BMARSH

E.O. 11652: N/A

TAGS: ETRD,EAGR,MTN

SUBJECT: PRELIMINARY ANALYSIS OF NEW ZEALAND OFFER AND  
FURTHER BACKGROUND MATERIAL.

REF: GENEVA 4509

1. NEW ZEALAND AGRICULTURAL OFFER: OF 26 AGRICULTURAL  
REQUESTS COVERING \$10.3 MILLION, NEW ZEALAND HAS RESPONDED  
TO 7 OR APPROXIMATELY ONE QUARTER, WORTH \$400,000. WE ARE  
AWARE THAT NEW ZEALAND HAS MADE OTHER OFFERS. HOWEVER,  
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THEY ARE OF LITTLE VALUE TO US. OF THESE SEVEN RESPONSES,  
SEVERAL WERE OFFERS TO BIND THE CURRENT DUTY, SUCH AS  
ALMONDS - AN OFFER TO BIND THE ZERO DUTY AT FREE. OTHERS  
WERE TARIFF REDUCTIONS OF NO SIGNIFICANCE, EITHER BECAUSE  
THE CUTS WERE SO SMALL (E.G. 66 CENTS/100 KG. TO 65 CENTS/  
100 KG ON SOYBEAN FLOUR OR BECAUSE THEY MEAN LITTLE  
WITHOUT NTB LIBERALIZATION, RICE BEING AN EXAMPLE. ON OUR  
OTHER 19 AGRICULTURAL REQUESTS, NEW ZEALAND DID NOT  
RESPOND WITH ANY OFFERS. WE HOPE AND ENCOURAGE THE GOVERN-  
MENT OF NEW ZEALAND TO RE-EXAMINE ITS OFFER AND TO RETURN

WITH SOMETHING MORE FORTHCOMING.

2. SUPPLEMENTAL NEW ZEALAND REQUESTS: ON THE ITEMS OF WHICH NEW ZEALAND IS A PRINCIPAL SUPPLIER, WE HAVE OFFERED A 20 CUT ON THE DUTY ON TSUS 115.20, FROZEN CREAM, FROM 15 CENTS TO 12 CENTS PER GALLON, AND A CUT TO ZERO ON TSUS 493.16, CASEIN MIXTURES, FOR ONLY THAT PART NOT SUBJECT TO QUOTA RESTRICTIONS. ON TSUS 107.6020, BOXED BEEF, WE UNDERSTAND FROM A DISCUSSION BETWEEN TURNER OYLOE OF FAS AND MR. WOODFIELD, NEW ZEALAND ASSISTANT SECRETARY FOR TRADE, THAT NEW ZEALAND WILL NOT PRESS THIS ITEM BECAUSE OF THE PROBLEMS PRESENTED IN CIRCUMVENTION OF THE MEAT IMPORT LAW. IN ANY EVENT WE ARE NOT PREPARED TO MAKE AN OFFER ON THIS ITEM. ON THE OTHER ADDITIONAL AND SUPPLEMENTARY REQUESTS, EITHER NEW ZEALAND IS NOT THE PRINCIPAL SUPPLIER OR WE ARE NOT NOW PREPARED TO MAKE FURTHER CUTS ESPECIALLY GIVEN THE INADEQUACY OF THE NEW ZEALAND OFFER.

3. U.S. ADDITIONAL REQUESTS OF NEW ZEALAND: ADDITIONAL U.S. REQUESTS OF NEW ZEALAND ARE PENDING TPSC CLEARANCE. CLARIFICATION OF REQUESTS AND TECHNICAL CHANGES HAVE BEEN FORWARDED TO MTN DEL.  
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4. LICENSING (AG ITEMS): THE U.S. AGREES WITH NEW ZEALAND'S LIST OF ITEMS EXEMPT FROM LICENSING AND THUS WITHDRAWS ITS LICENSING REQUESTS ON: PIGMEATS (02.06.001 AND 02.06.002), SAUSAGE CASINGS (05.04.001), WHOLE CITRUS FRUIT (08.02.001), 08.02.021, AND 08.02.031), ALMONDS (EX 08.05.001) AND APPLES AND PEARS (08.06.101 AND 08.06.201). HOWEVER, WE MAINTAIN OUR REQUESTS ON THE SOLE IMPORT AGENCY ON WHOLE CITRUS FRUIT, APPLES AND PEARS, AND ON THE QUOTA FOR RETAIL SALE ON ALMONDS AND PEARS, AND ON THE QUOTA FOR RETAIL SALE ON ALMONDS AND ON RICE. RICE WE UNDERSTAND TO BE PARTIALLY EXEMPT FROM LICENSING (THOUGH STILL SUBJECT TO A QUOTA ON RICE FOR RETAIL SALES, WHICH WE WANT REMOVED OR LIBERALIZED), AND PROTEIN PREPARATIONS (EX 21.07.029) WE UNDERSTAND TO BE SUBJECT TO A LICENSE EQUAL TO 100 OF THE LICENSE ISSUED IN 1976. OUR LICENSING REQUEST CONTINUES ON SPECIALTY FLOURS. ON SPECIALTY FLOURS WE WOULD ALSO LIKE NEW ZEALAND TO CLARIFY THE EXTENT TO WHICH STATE TRADING (THE NEW ZEALAND WHEAT BOARD) IS INVOLVED. OUR REQUEST FOR ELIMINATION OF DISCRETIONARY LICENSING ON FISH REMAINS ON: 03.01.009, 03.03.002, AND 03.03.003.

5. STATE TRADING (AG ITEMS): WE HAVE NO MORE TO ADD AT THIS TIME, AS FURTHER RESEARCH IS NECESSARY. PERHAPS NEW ZEALAND COULD INDICATE MORE SPECIFICALLY ITS PROBLEMS IN THIS AREA.

6. SPECIALTY FLOURS: RE DEFINITION OF "SPECIALTY FLOURS AND MIXES" FOR WHICH U.S. REQUESTING EX-OUT, WE MEAN THOSE FLOURS USED FOR PURPOSES OTHER THAN MAKING BREAD, E.G., FLOUR FOR MAKING CAKES, COOKIES, CORN BREAD, PANCAKE MIXES, CAKE MIXES, ETC. WE ARE UNABLE TO DEFINE THIS PRODUCT MORE PRECISELY, I.E. BEYOND A DEFINITION IN TERMS OF THE END USE.

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7. TOBACCO: THE U.S. HOPES THAT NEW ZEALAND MAY BE MORE FORTHCOMING ON OUR TOBACCO REQUEST, AS OUR ABILITY TO MAINTAIN OUR OFFERS (THE TARIFF CUT ON WOOL BEING AN EXAMPLE) IS DEPENDENT UPON ADEQUATE RECIPROCITY FROM NEW ZEALAND.

8. CHANGES IN AGRICULTURAL CONDITIONS: THESE WILL BE FORTHCOMING IN THE TPSC-CLEARED NEW ZEALAND PACKET.

9. ANALYSIS OF NEW ZEALAND'S OFFER ON INDUSTRIAL PRODUCTS: THE U.S. DEL SHOULD REITERATE OUR DISAPPOINTMENT WITH THE LACK OF RESPONSIVENESS OF NEW ZEALAND'S TARIFF OFFER TO U.S. REQUEST FOR TARIFF REDUCTIONS. OF OUR APPROXIMATE 170 REQUESTS FOR TARIFF REDUCTIONS, NEW ZEALAND HAS RESPONDED TO 40; 14 OF THESE RESPONSES SATISFIED THE U.S. REQUEST, WHILE 16 WERE OFFERS TO BIND THE CURRENT APPLIED RATE AND 10 WERE OFFERS TO MAKE MINOR TARIFF REDUCTIONS. THE U.S. DEL SHOULD AGAIN URGE NEW ZEALAND TO REVIEW ITS TARIFF OFFER WITH A VIEW TOWARD IMPROVING IT AND MAKING SUBSTANTIAL TARIFF REDUCTIONS ON ITEMS REQUESTED BY THE UNITED STATES.

10. U.S. DEL SHOULD EXPRESS APPRECIATION FOR NEW ZEALAND'S RESPONSIVENESS TO OUR NTM REQUESTS, 31 OF WHICH WERE CONCERNED WITH NEW ZEALAND'S LICENSING SYSTEM. NEW ZEALAND HAS DECLARED ITS INTENTION TO BE AMENABLE TO NEGOTIATION OF THE LIBERALIZATION AND/OR ELIMINATION OF IMPORT LICENSING RESTRICTIONS ON SPECIFIC PRODUCTS. IN LIGHT OF NEW ZEALAND'S RESPONSIVENESS, WE HAVE MADE OUR REQUEST MORE SPECIFIC. USING NEW ZEALAND'S IMPORT LICENSE SCHEDULE, 1977-78, WE HAVE IDENTIFIED SPECIFIC PRODUCTS BY LICENSE ITEM CODE AND THE SEVEN-DIGIT TARIFF NUMBER FALLING WITHIN THAT ITEM CODE. THE ITEM CODE, TARIFF NUMBER, AND TYPE OF MEASURE ARE LISTED BELOW. THE USG IS REQUESTING THE ELIMINATION OF LICENSING ON THESE PRODUCTS WHERE THE LICENCES ARE DISCRETIONARY OR QUOTA (PERCENTAGE ALLOCATION BASED

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INATION OF LICENSING ON THESE PRODUCTS WHERE THE LICENCES ARE DISCRETIONARY OR QUOTA (PERCENTAGE ALLOCATION BASED

ON IMPORTS IN THE PREVIOUS PERIOD) TYPE LICENSES.

ITEM CODE	TARIFF ITEM	TYPE OF MEASURE
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41.105	41.02.001	L
41.105	41.02.101	L
41.110	41.02.109	L
41.110	41.05.001	L
41.110	41 05.00	L
41.1,5	41.02.102	L
41.115	41.02.103	L
41.125	EX41.02.002	L
41.125	EX41.02.009	L
41.135	EX41.02.002	C
41.135	EX41.02.009	C
73.530	83.02.081	L
73.530	EX83.02.099	L
73.535	EX83.02.021	L
73.535	EX83.02.031	L
73.550	EX83.02.061	L
73.560	EX83.02.099	L
73.570	EX83.02.021	L
73.580	EX83.02.021	L
84.180	84.11.031	L
84.180	84.17.003	L
84.180	84.17.009	L
84.180	EX84.48.011	L
84.180	EX84.48.019	L
84.200	84.17.001	
84.200	84.17.002	C
84.220	84.21.001	L
84.225	84.22.011	L
84.230	EX84.22.031	L
84.230	EX84.22.048	L

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84.250	84.56.001	C
84.250	84.56.011	C
84.250	84.56.019	C
84.250	84.56.029	C
84.250	EX84.56.039	C
84.295	EX84.35.001	C
84.295	EX84.35.009	C
84.355	EX84.38.009	C
84.375	EX84.22.048	C
84.450	84.18.101	C
84.450	84.18.102	C
84.450	84.18.109	C
84.450	84.18.121	C
84.450	84.18.129	C
84.450	84.18.139	C

84.450	84.21.001	C
84.450	84.2L.002	C
84.450	84.21.003	C
84.450	EX84.21.009	C
84.450	84.22.001	C
84.450	84.22.003	C
84.450	EX84.22.007	C
84.450	84.22.019	C
84.450	EX84.22.028	C
84.450	84.22.035	C
84.450	84.22.037	C
84.4;0	EX84.22.048	C
84.450	84.49.002	C
84.450	EX84.59.101	C
84.450	84.59.109	C
84.450	84.59.111	C
84.450	84.59.112	C

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84.450	84.59.114	C
84.450	84.59.119	C
84.450	84.59.138	C
84.450	84.59.141	C
84.450	84.14.101	C
84.450	84.17.111	C
84.450	84.14.122	C
85.200	EX85.07.011	L
85.200	EX85.07.019	L
85.245	85.12.001	L
85.245	EX85.12.009	L
85.245	85.12.011	L
85.255	EX85.12.009	L
85.255	85.12.019	L
85.280	85.15.009	L
85.280	EX85.15.109	L
85.280	EX;5.15.202	L
85.280	EX85.15.209	L
85.280	EX85.15.221	L
85.280	EX85.15.229	L
85.280	EX85.15.232	L
85.280	EX85.15.239	L
85.280	EX85.15.261	L
85.281	EX85.15.109	C
85.285	EX85.15.202	L
85.285	EX85.15.209	L
85.285	EX85.15.221	L
85.285	EX85.15.229	L
85.285	EX85.15.232	L
85.285	EX85.15.,39	L

85.285	EX85.15.242	L
85.285	EX85.15.248	L
85.285	EX85.15.261	L
85.285	EX85.15.269	L
88.105	EX88.02.009	C

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88.110	EX88.02.009	C
G505	88.03.009	L
97.115	EX97.04.029	L
97.115	EX97.04.098	L
84.410	EX84.6L.002	L
84.415	EX84.61.002	C
84.416	EX84.61.002	C
84.416	EX84.61.019	C
84.419	84.61.011	C
84.419	84.61.019	C
84.375	84.47,031	C
85.180	84.15.101	L
85.295	EX84.34.009	C
92.155	92.12.012	L
92.155	92.12.013	L
92.155	92.12.018	L
92.155	EX92.12.021	L
92.155	EX92.12.028	L
95.100	EX71.16.001	L
95.100	EX71.16.002	L
95.100	EX71.16.008	L
95.100	EX71.16.009	L

C IS DISCRETIONARY LICENSING

L IS LICENSING (ALLOCATION BASED ON PERCENTAGE OF PREVIOUS  
YEARS ALLOCATION). VANCE

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<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 sep 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGRICULTURE, TRADE AGREEMENTS, FINANCIAL CONTRIBUTIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE092179  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** STR:BSEASTRUM:JT 395-6127 4/10/78  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** n/a  
**Expiration:**  
**Film Number:** D780154-1075  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t197804109/baaafcmjml  
**Line Count:** 311  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Message ID:** 0d37bda6-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN STR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 6  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** GENEVA 4509  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2829870  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRELIMINARY ANALYSIS OF NEW ZEALAND OFFER AND FURTHER BACKGROUND MATERIAL.  
**TAGS:** ETRD, EAGR, NL, MTN  
**To:** GENEVA  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/0d37bda6-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014